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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2009

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2009 (A/64/605). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Secretary-General indicates in his report that a net cash balance in the amount of $213,843,000 remained in the accounts of 17 closed peacekeeping missions as at 30 June 2009. That amount does not include loans in the amount of $28,816,000 owed by two closed peacekeeping missions ($7,366,000 by the United Nations Support Mission in Haiti/United Nations Transition Mission in Haiti/United Nations Civilian Police Mission in Haiti and $3,450,000 by the United Nations Mission in the Central African Republic and Chad (MINURCAT)) and by two active missions ($16 million by the United Nations Mission for the Referendum in Western Sahara (MINURSO) and $2 million by the United Nations Observer Mission in Georgia (UNOMIG)), which remained unpaid as at 30 June 2009. Of the 17 closed peacekeeping missions, 5 had cash deficits totalling $86,648,000 as at the same date, owing to outstanding payments of assessed contributions (see A/64/605, table 3).

3. According to the Secretary-General, there is a continuing need to borrow from closed missions as a result of the high level of outstanding assessments in the special accounts of some active missions. **The Advisory Committee regrets that a lack of liquidity at times leads to the borrowing of funds for active peacekeeping missions from closed missions.**

4. According to the Secretary-General, cross-borrowing for the 2008/09 period amounted to $164 million for eight active peacekeeping missions (MINURSO, the United Nations Stabilization Mission in Haiti, the United Nations Peacekeeping

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Force in Cyprus, the United Nations Interim Administration Mission in Kosovo, the United Nations Mission in Liberia, the United Nations Integrated Mission in Timor-Leste (UNMIT), the United Nations Operation in Côte d'Ivoire and UNOMIG). For the 2009/10 period, as at 15 December 2009, total cross-borrowing amounted to $13.5 million for two active missions (MINURSO and UNOMIG). Subsequent to the consideration of the report of the Secretary-General, the Advisory Committee was informed that, since 15 December, an additional amount of $22.5 million was required for cross-borrowing from the accounts of closed peacekeeping operations for two active missions (MINURSO and UNMIT), thereby bringing the total loans from closed peacekeeping operations to active missions to $36 million as at 3 February 2010, comprising $30 million in new loans made between 1 July 2009 and 3 February 2010 and $6 million in loans made during the 2008/09 financial period that had not yet been repaid. The Committee notes that there have been reduced requirements for cross-borrowing to date during the period 2009/10 as compared to the preceding period. **The Committee requests that the most recent update of the amount of cross-borrowed funds for the period 2009/10, as well as information on the historic pattern of cross-borrowing, be provided to the General Assembly at the time of its consideration of the report of the Secretary-General.**

5. The Advisory Committee recalls paragraph 4 of General Assembly resolution 48/242, in which the Assembly expressed its appreciation for the decision of the Government of Kuwait to defray two thirds of the cost of the United Nations Iraq-Kuwait Observation Mission (UNIKOM), effective 1 November 1993. The Committee further recalls that the current arrangement of returning two thirds of the unencumbered balances to the Government of Kuwait and one third to Member States has been applied with effect from 1 November 1993 (see also A/60/788, para. 5). **In the light of General Assembly resolution 48/242 and with regard to the Secretary-General's present proposal to return an amount of $291,000, reflecting two thirds of the adjusted net credits available in the account of UNIKOM, to the Government of Kuwait, the Advisory Committee recommends that such funds, in future, be returned without the need for such requests.**

6. The Advisory Committee points out that financial regulation 5.3 of the Financial Regulations and Rules of the United Nations provides that

> Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriations shall be surrendered.

The Secretary-General proposes, however, to approve the retention of the cash balance of $213,551,100 available in 17 closed peacekeeping missions in the light of experience with regard to cash requirements of the Organization during the 2008/09 and 2009/10 financial periods. **In this context, the Advisory Committee considers that it is a policy matter for the General Assembly to decide on the disposition of such balances. It is noted that the Assembly has taken a number of decisions in that regard, including in its resolution 57/323.**